

Message Text

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ACTION OES-04

INFO OCT-01 EUR-12 ISO-00 HEW-02 L-02 FEA-01 AID-05 CEQ-01

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FM AMCONSUL ROTTERDAM

TO SECSTATE WASHDC 1711

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E.O. 11652: N/A

TAGS: EIND, SENV, NL, US

SUBJECT: OXIRANE MEETING WITH BURGOMASTER OF ROTTERDAM

REF: HAGUE 765 AND 904

1. JAMES MAHONEY, PRESIDENT OF OXIRANE AND VINCENT GORMAN, GENERAL COUNSEL, BOTH OF PRINCETON, NEW JERSEY, ACCOMPANIED BY CONSUL GENERAL CHRISTIANO CALLED ON BURGOMASTER VAN DER LOUW AND ALDERMAN RIEZENKAMP ON MARCH 6 IN ORDER TO FURTHER DISCUSS PENDING FINE WHICH ROTTERDAM HAS LEVIED ON THE OXIRANE PLANT IN ROTTERDAM FOR ALLEGED NEGLIGENCE IN DECEMBER 1 INCIDENT (SEE REFTELS). BURGOMASTER SAID THAT THE MEETING MUST BE KEPT IN THE STRICTEST CONFIDENCE. THIS WAS IMPORTANT BECAUSE MATTER OF OXIRANE FINE IS NOW IN HANDS OF 4-MAN COMMITTEE APPOINTED BY MUNICIPAL COUNCIL (2PVDA, 1 KVP, 1 CHU). ALL AGREED THAT NOTHING THAT WAS SAID IN THE MEETING WOULD BE DISCUSSED OUTSIDE.

2. BURGOMASTER ASKED IF MAHONEY HAD CONSIDERED THE OFFER OF REDUCING THE FINE BY ONE-HALF, NAMELY \$900,000. MAHONEY RESPONDED THAT AMOUNT WAS OUT OF THE QUESTION SINCE OXIRANE WAS NOT GUILTY OF CHARGES AND FURTHERMORE THAT OTHER CHEMICAL COMPANIES IN AREA HAVE STATED THAT PAYING SUCH A FINE WOULD BE A BAD PRECEDENT.

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THE BURGOMASTER ASKED WHAT MAHONEY CONSIDERED A REASONABLE FINE.

MAHONEY IMPLIED -- BUT DID NOT STATE DIRECTLY-- THAT OXIRANE COULD PAY 200,000-300,000 DOLLARS SINCE THIS WOULD BE THE COST TO OXIRANE IN LEGAL FEES IF THERE IS A NEED TO APPEAL TO THE COURTS. MAHONEY THEN ASKED WHAT BURGOMASTER CONSIDERED MINIMUM FINE THAT MUNICIPALITY WOULD ACCEPT. BURGOMASTER REPLIED MINIMUM OF \$600,000. IN RESPONSE, MAHONEY SAID THAT THIS WOULD BE TOTALLY UNACCEPTABLE SINCE THE AMOUNT WAS MUCH TOO HIGH.

3. BOTH THE BURGOMASTER AND MAHONEY AGREED THAT IT BEST NOT TO RESORT TO THE COURTS SINCE IT COULD TAKE TWO TO THREE YEARS TO SETTLE THE MATTER. THEY AGREED THAT THEY WOULD AWAIT FINDING OF MUNICIPAL COMMITTEE WHICH SHOULD TAKE 2-3 MONTHS AND THEN DECIDE WHERE TO GO FROM THERE. AT THIS POINT, MAHONEY MENTIONED THAT OXIRANE IS IN PROCESS OF INSTALLING 3.7 MILLION GULDERS OF SAFETY EQUIPMENT AT PRESENT TIME. HE ADDED THAT THIS WAS PART OF CONTINUING EFFORT OF CHEMICAL INDUSTRY TO IMPROVE THEIR SAFETY STANDARDS AND IS NOT DIRECT RESULT OF OXIRANE INCIDENT OF DECEMBER 1.

4. BURGOMASTER THEN SAID THAT HE THOUGHT THIS WOULD BE LAST MEETING HE COULD HAVE WITH OXIRANE SINCE ONCE THE COMMITTEE AND THE MUNICIPAL COUNCIL HAD REACHED A DETERMINATION, HE WOULD NOT BE ABLE TO INTERVENE ANY LONGER. HOWEVER, UPON QUESTIONING FROM MR. GORMAN IT APPEARED THAT BURGOMASTER COULD POSSIBLY GET INVOLVED AGAIN AFTER MUNICIPALITY'S DECISION. MAHONEY THEN SAID THAT OXIRANE IS CONSIDERING DOUBLING ITS PLANT CAPACITY NEXT TO ITS PRESENT SITE AND ASKED IF THE CITY WAS IN FAVOR OF THIS. ALDERMAN RIEZENKAMP SUBSTITUTING FOR ALDERMAN VAN DER POLS WHO IS SICK, RESPONDED THAT THE CITY IS ACTIVELY ENCOURAGING MORE INVESTMENT. HE ADDED, HOWEVER, THAT THE OXIRANE APPLICATION, WHICH HAS BEEN ON FILE FOR SOMETIME, WILL PROBABLY NOT BE FURTHER ACTED UPON UNTIL THE MUNICIPAL COUNCIL HAS MADE ITS DECISION ON FINE.

5. COMMENT: THE DISCUSSION THROUGHOUT WAS CONGENIAL AND BOTH SIDES SPOKE FRANKLY AND OPENLY. THE BURGOMASTER WAS CLEARLY CONCILIATORY SINCE HE OFFERED TO REDUCE THE FINE FROM \$900,000 AT THE PREVIOUS MEETING TO \$600,000. IT WAS AGREED THAT NOTHING FURTHER WILL BE DONE UNTIL COMMITTEE APPOINTED BY THE MUNICIPAL COUNCIL HAS REPORTED ITS FINDING.
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